

The Aluminum Situation

Department of Economics and Statistics

May 1986

Shipments Up 1.0 Percent

Net shipments for three months of 1986, at **Thru March 1986** an estimated 3,820 million pounds, were up 1.0 percent from the first three months of 1985 total of 3,783 million pounds.

Domestic shipments of 3,559 million pounds were up 2.9 percent from the 1985 three month total of 3,459 million pounds.

Imports of ingot and mill products were up 31.9 percent and exports were down 19.5 percent.

	3 Mos. 1986	3 Mos. 1985	% Change
Mill Products	3,096	2,962	+ 4.5%
Ingot	724	821	-11.8%
Total	3,820	3,783	+ 1.0%
Less Exports	-261	-324	-19.4%
Domestic Total	3,559	3,459	+ 2.9%

Millions of Pounds
Source: Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census.

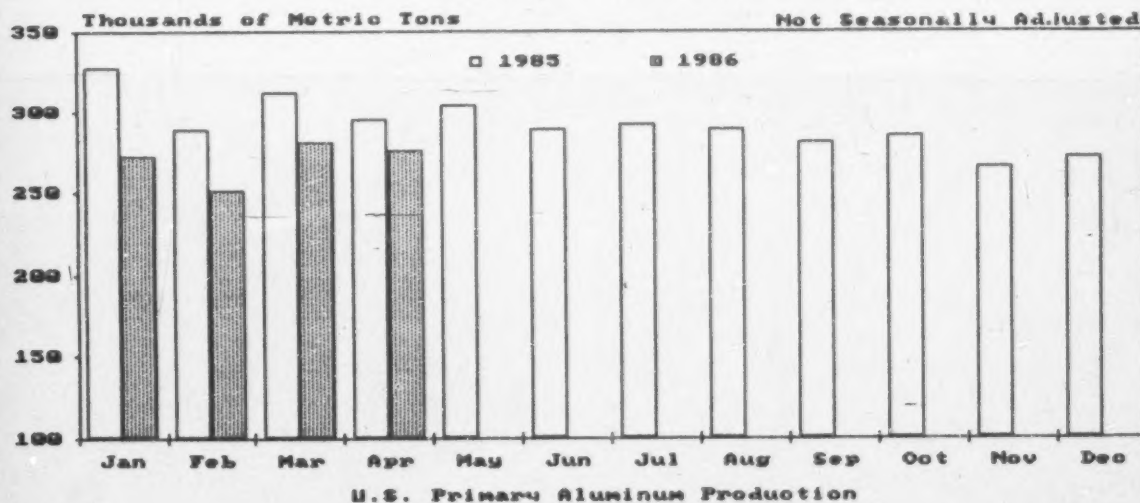
Production Rate Down 6.9 Percent

U.S. primary aluminum production averaged 9,163 METRIC tons daily during April 1986, compared with an average 9,837 METRIC tons per day in April 1985.

The annual rate of production in April 1986 was 3,344,580 METRIC tons, compared to 3,307,630 METRIC tons in March 1986. The April 1985 annual rate was 3,590,486 METRIC tons. Actual production in April 1986 was 274,897 METRIC tons.

Commencing January 1986, Aluminum Association primary production is measured in METRIC tons.

Primary Production

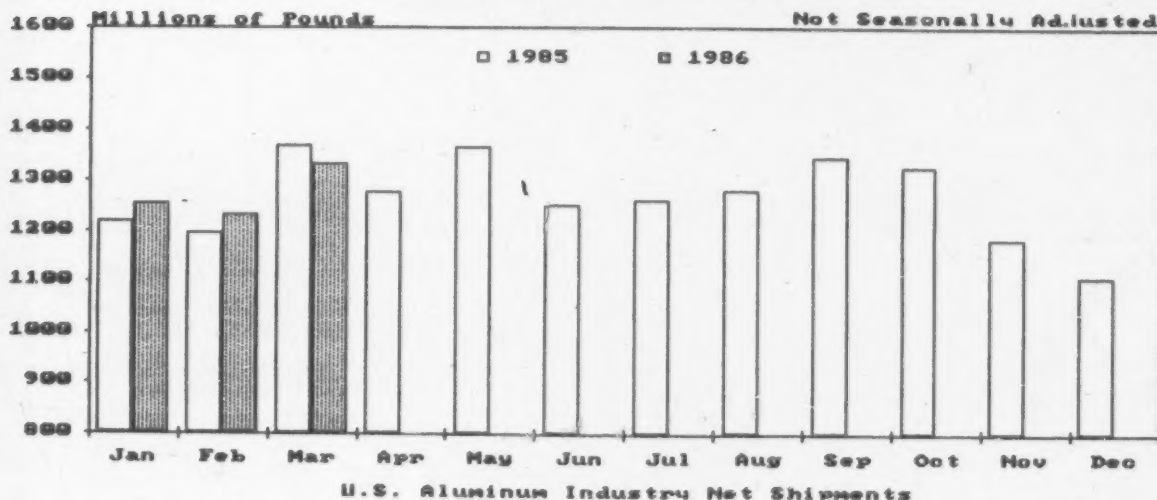


Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Net Shipments Up 1.0 Percent

Estimated shipments of 3,820 million pounds for three months of 1986 were up 1.0 percent from the 1985 three month total of 3,783 million pounds. Exports were down 19.5 percent so domestic shipments showed a 2.9 percent increase over a year ago.

Aluminum Net Shipments



Net Shipments

(Millions of Pounds)

	1986 Mar.	1985 Mar.	1986 3 Mos.	1985 3 Mos.	% Change YTD 1986 vs. 1985
Sheet	577.0	547.9	1,596.2	1,494.2	+ 6.8
Plate	25.0	24.9	67.1	68.4	- 1.9
Foil	80.0	70.0	228.4	198.3	+15.2
Rod, Bar & Wire	32.0	28.6	86.7	81.4	+ 6.5
Electrical Conductor	56.0	66.7	151.1	179.9	-16.0
Extruded Shapes & Tube**	228.0	225.8	663.9	656.7	+ 1.1
Powder & Paste	9.0	9.7	25.5	28.6	-10.8
Forgings & Impacts	12.0	12.4	36.7	37.4	- 1.9
Net Imports of Mill					
Products (Total)(a)	79.0	77.8	240.4	217.6	+10.5
Total Mill Products	1,098.0	1,063.8	3,096.0	2,962.5	+ 4.5
Ingot(b)	235.0	304.5	723.5	820.9	-11.9
TOTAL INDUSTRY SHIPMENTS	1,333.0	1,368.3	3,819.5	3,783.4	+ 1.9
Exports	-71.5	-90.1	-260.6	-323.9	-19.5
TOTAL DOMESTIC SHIPMENTS	1,261.5	1,278.2	3,558.9	3,459.5	+ 2.9

** January-May 1985 shapes and tubes increased to account for unsourced Census revision to total mill products.

*Latest two months estimated by the Aluminum Association. Previous data-Bureau of the Census and Department of Commerce.

(a) Not included in product data above.

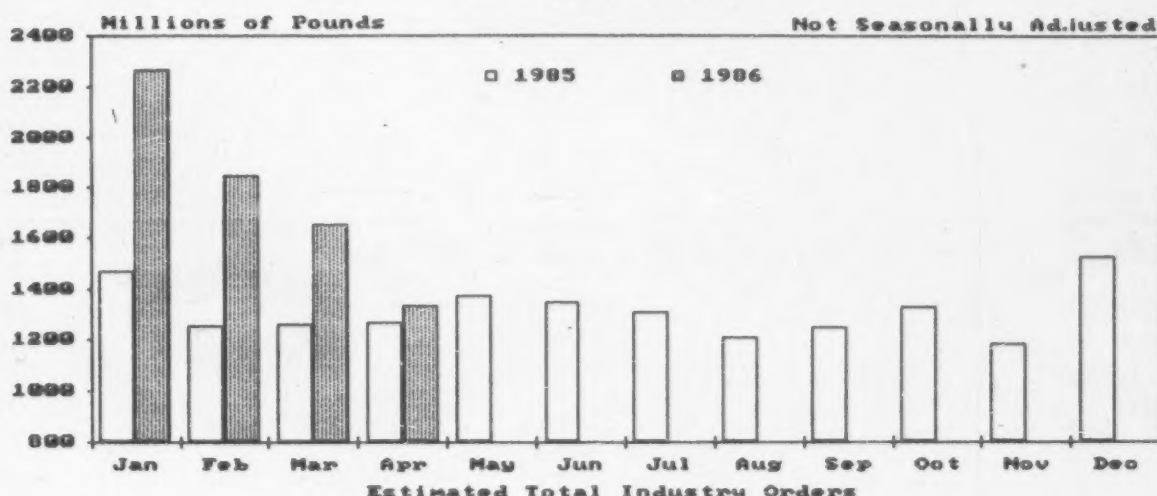
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Net New Orders Up 35.0 Percent

Estimated net new order receipts for four months of 1986 at 7,091 million pounds were up 35.0 percent over the first four months of 1985 total of 5,253 million pounds. April orders of 1,329 million pounds were down 19.5 percent from the March 1986 level of 1,651 million pounds.

Order Receipts



Order Receipts

(Millions of Pounds)

	1986 Apr.	1985 Apr.	1986 4 mos.	1985 4 mos.	% Change YTD 1986 vs. 1985
Can Stock(a)	183.5	266.4	1,374.9	1,084.3	+ 26.8
Sheet & Plate, Other	284.0	345.0	1,536.0	1,366.0	+ 12.4
Foil	66.1	69.4	304.0	253.8	+ 19.8
Rod, Bar & Wire	26.9	14.2	124.3	51.4	+141.8
Electrical Conductor	59.5	59.4	236.4	242.1	- 2.4
Extruded Products	217.2	209.3	1,026.1	847.5	+ 21.1
Powder & Paste	6.9	8.8	31.2	40.7	- 23.3
Forgings & Impacts	8.0	9.3	46.1	40.0	+ 14.1
Domestic Mill Products	852.1	981.8	4,679.0	3,926.2	+ 19.2
Ingot (Total)	428.5	229.7	2,097.4	998.3	+110.1
TOTAL DOMESTIC	1,280.6	1,211.5	6,776.4	4,924.5	+ 37.6
Exports	48.3	57.9	314.3	328.8	- 4.4
TOTAL ALL PRODUCTS	1,328.9	1,269.4	7,090.7	5,253.3	+ 35.0

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.

(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.

*Latest month.

March 1986 Inventories Down 107 Million Pounds

Producer inventories declined an estimated 107 million pounds in March 1986 from a revised February level of 5,139 million pounds.

Month-End Aluminum Inventories By Type of Producer Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Dec 84	5,850	4,692	229	929

Month	Total*	Ingot	Scrap	All Other
Apr 85	5,728	2,597	682	2,449
May 85	5,684	2,579	693	2,412
Jun 85	5,596	2,436	664	2,496
Jul 85	5,575	2,450	681	2,444
Aug 85	5,489	2,397	695	2,396
Sep 85	5,438	2,359	662	2,416
Oct 85	5,337	2,347	643	2,347
Nov 85	5,246	2,286	612	2,348
Dec 85	5,160	2,243	569	2,349
Jan 86	5,161r	2,167r	561r	2,433r
Feb 86	5,139r	2,049r	555r	2,535r
Mar 86	5,032	1,850	520	2,662

*Latest two months estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap. Early estimates are available approximately the 5th working day each month; however, there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1986 Mar.	1985 Mar.	1986 3 Mos.	1985 3 Mos.	% Change 1986 vs. 1985
Imports	Mill Products	88.8	94.7	270.3	268.9	+ 0.5
	Ingot	280.9	177.4	682.6	453.3	+ 50.6
	Total	369.7	272.1	952.9	722.2	+ 31.9
	Scrap (+ dross)	24.3	19.7	79.0	59.3	+ 33.2
	Grand Total	394.0	291.8	1,031.9	781.5	+ 32.0
Exports	Mill Products	31.5	40.2	116.3	116.9	- 0.5
	Ingot	39.9	49.9	144.3	207.0	- 30.3
	Total	71.4	90.1	260.6	323.9	- 19.5
	Scrap	57.1	80.2	199.8	218.8	- 8.7
	Grand Total	128.5	170.3	460.4	542.7	- 15.2
Net Imports		265.5	121.5	571.5	238.8	+139.3

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.